

# Hawaii Economic Update

June 17, 2016

## Summary

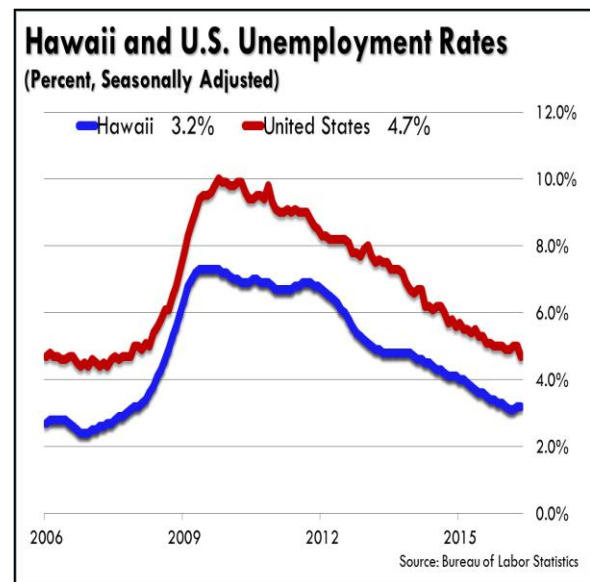
Nonfarm payroll employment in Hawaii increased by 1,100 jobs and the unemployment rate was unchanged at 3.2 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## Hawaii Unemployment Rate

During May, the unemployment rate in Hawaii was unchanged at 3.2 percent. The number of people counted as unemployed rose by 345 in May to 22,321, while the labor force fell by 1,954 to 688,077. Among the 50 states and the District of Columbia, only 4 posted lower unemployment rates. A year earlier, the unemployment rate in Hawaii stood at 3.7 percent.

The 10 year peak for the unemployment rate in Hawaii was 7.3 percent in October 2009. The series high for the unemployment rate in Hawaii occurred in January 1976 when the unemployment rate reached 10.4 percent. The 10 year low for the unemployment rate was 2.4 percent in December 2006. This also represents the series low for the unemployment rate in Hawaii. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



## Hawaii Payroll Employment

Hawaii nonfarm payrolls increased by 1,100 jobs, or 0.17 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls declined by 4,200. Over the past 12 months nonfarm payrolls in Hawaii increased by 13,700, or 2.16 percent. Hawaii nonfarm payroll employment has increased in 10 of the past 12 months.

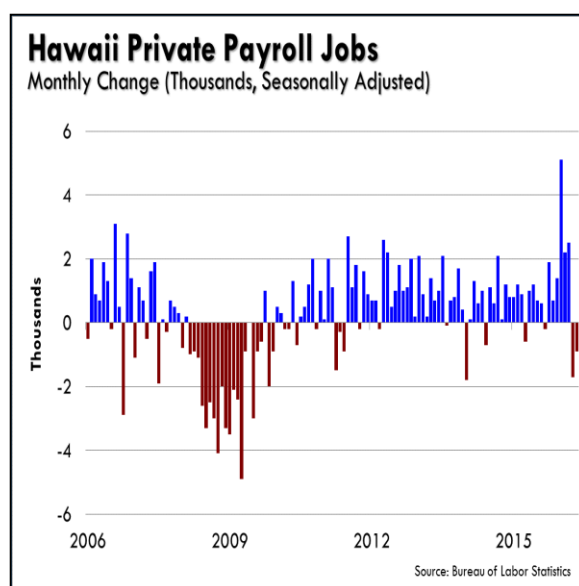
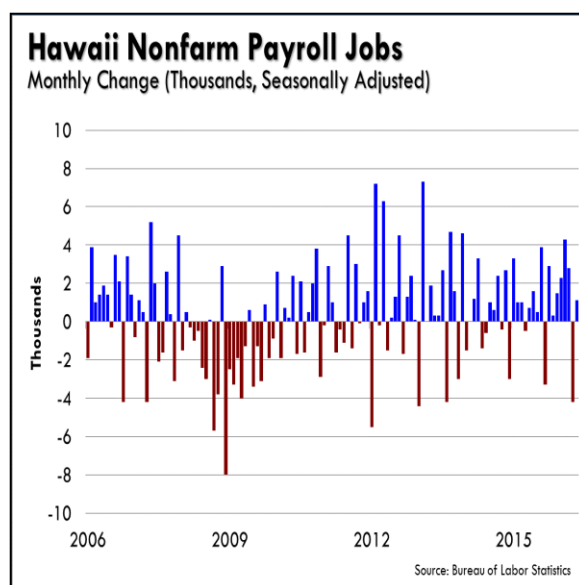
Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Hawaii ranks 13th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Hawaii private sector payrolls declined by 900, or 0.17 percent. Private sector payrolls declined by 1,700 jobs in the prior month. Over the past 12 months, private sector payrolls in Hawaii increased by 13,500, or 2.65 percent. Hawaii private sector payroll employment has increased in 9 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent.

Hawaii ranks 11th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Hawaii increased by 2,000, or 1.61 percent. Federal government payroll employment increased by 100, or 0.30 percent. State government payroll employment increased by 1,800, or 2.50 percent, while local government payroll employment increased by 100, or 0.53 percent.



Over the past year, total government payroll employment increased by 200, or 0.16 percent. State government payroll employment was unchanged. Local government payroll employment increased by 100, or 0.53 percent.

The best performing sectors on a seasonally adjusted basis during May were Total Government (+2,000) and Logging, Mining & Construction (+700). The poorest performing sectors during the month were Leisure & Hospitality (-1,100) and Trade, Transportation & Utilities (-400).

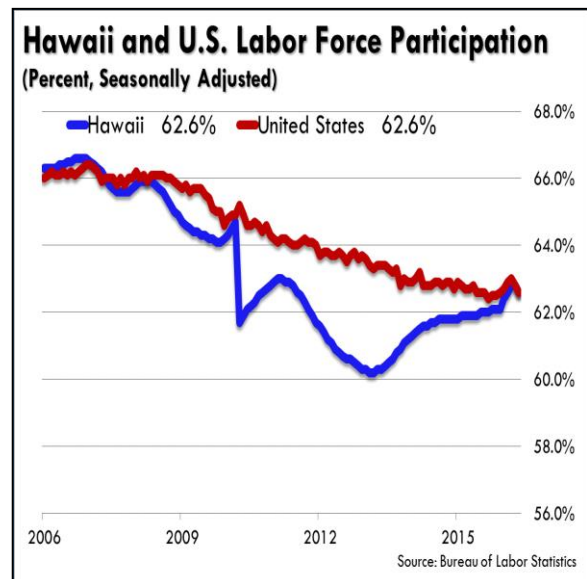
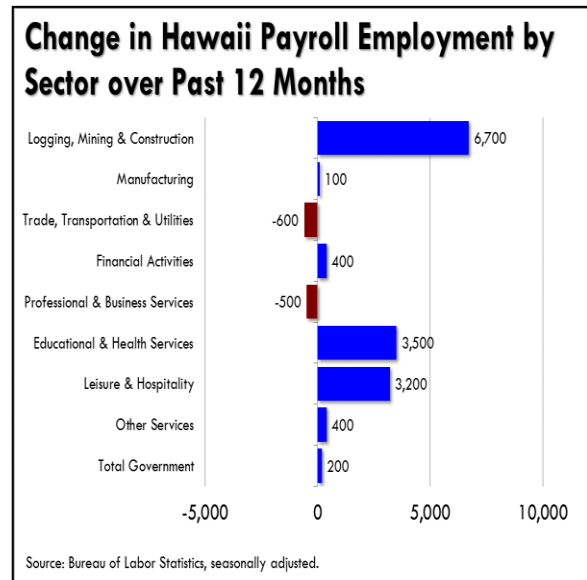
The best performing sectors during the last twelve months were Logging, Mining & Construction (+6,700) and Educational & Health Services (+3,500). The poorest performing sectors for the year were Trade, Transportation & Utilities (-600) and Professional & Business Services (-500).

#### Other Hawaii Labor Force Statistics

The labor force participation rate in Hawaii declined to 62.6 percent in May from 62.8 percent the prior month. Among the 50 states and the District of Columbia, 31 have a higher labor force participation rate than Hawaii. The labor force participation rate in Hawaii is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Hawaii was 66.6 percent in December 2006. The series high for the labor force participation rate in Hawaii occurred in January 1976 when the labor force participation rate hit 69.9 percent. The 10 year low for the labor force participation rate was 60.2 percent in March 2013. This also represents the series low for the labor force participation rate in Hawaii.

The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.



The employment-to-population ratio, or the percentage of the Hawaii civilian noninstitutionalized population 16 years and older counted as employed, declined to 60.5 percent in May from 60.8 percent the prior month. Among the 50 states and the District of Columbia, 27 have higher employment-to-population ratios than Hawaii. The employment-to-population ratio in Hawaii is 0.9 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in Hawaii was 65.0 percent in December 2006. The series high for the employment-to-population ratio in Hawaii occurred in May 1991 when the employment-to-population ratio hit 67.3 percent. The 10 year low for the employment-to-population ratio was 57.0 percent in June 2012. The series low for the employment-to-population ratio occurred in July 2012 when the employment-to-population ratio hit 57.0 percent.

The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.

